

King County Quarterly Economic Measures

Third Quarter, 1998

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King County Quarterly Economic Measures

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Executive Summary

As part of its 1998 special programs contract with the Office of Budget and Strategic Planning, the Central Puget Sound Economic Development District (EDD) produces quarterly reports on national and county economic measures. This document is an executive summary of the third quarter, 1998 report. Anyone desiring copies of the full 25-page report should contact Ray Moser, Manager, Economic Development Program at 205-0707.

I. NATIONAL

Economic Measures/Interest Rates/AA Bond Rates

National growth was moderate in the third quarter, suffering somewhat less from the Asian financial crisis than some analysts previously expected. The real gross domestic product (GDP) grew at a 3.3% annual pace over the second quarter. This compares to a second quarter revised gain of 1.8% annualized growth. For the most recent twelve months, GDP grew 3.4%, down somewhat from the 5.3% pace of growth during the year ending third quarter 1997. Annual real GDP growth has ranged between 1.6% and 5.3% over the past five years. Non-residential fixed investment decreased by approximately a 1% annualized rate from the previous quarter. This is a sharp contrast to the 22.2% and 12.8% annualized growth in non-residential fixed investment during the 1st and 2nd quarter respectively. This suggests the possibility of a future slowdown in industrial production. Both producer and consumer investment in durables were nearly unchanged in the third quarter after experiencing substantial increases during the first half of the year. At the end of the second quarter there was a notable increase in automobile consumption coming on the heels of the General Motors strike resolution which tapered off during the third quarter.

During the second quarter the perceived threat was that the economy would overheat, but overproduction by foreign industries and the declining value of foreign currencies has introduced the threat of a domestic economic slowdown. Many foreign markets for domestic goods are shrinking. An expected raise in interest rates by the Federal Reserve Board never became necessary, and instead monetary policy was eased in an effort to lower the federal funds rate to around 5.25%. The prime rate dropped for the first time in over a year from 8.5% to 8.49% while the discount rate (5.0%) remained unchanged. Inflation remains very low. The implicit price deflator increased at a 0.8% annual rate during the third quarter after realizing its smallest increases in 34 years the previous two quarters (0.8% and 0.9%) and rose only slightly in the twelve months ending third quarter 1998 (0.9%). The third quarter Consumer Price Index rose at an annualized rate of 1.6%. For 1997, inflation totaled 2.3%.

Interest rates for treasury bills and bonds dropped across the board during the third quarter. One year treasury bills dropped 5.7% while 3 year treasury bonds dropped 8.3%. Thirty year home mortgage rates in Washington state reached their lowest point in years averaging 6.98% during

the third quarter. National home mortgage rates for new homes during the third quarter averaged slightly higher at 7.05%.

AA bond rates in late October dropped from late July totals, nearing a 30 year low. Rates decreasing between 10 to 30 basis points for non-taxable bonds and 10 to 40 points for taxable bonds.

Industrial/Manufacturing Measures

Preliminary reports indicate that non-farm inventories were up \$49.2 billion during third quarter 1998, up from a revised \$29.9 billion increase the previous quarter. The large build up of inventories during the beginning of the year fell sharply over the second quarter but has increased again in the third quarter. Potentially conflicting indicators, such as the low cost of capital, consumer uncertainty, and fear of shrinking foreign markets for domestic goods are all likely contributors to the large fluctuations in inventory investment.

Other indicators showed mixed results. Industrial production remained unchanged in the third quarter, compared to the 1.7% annualized increase in the second quarter of 1998. Industrial production declined during the month of September after a sizable increase in August due to the rebound from strikes that limited the output of motor vehicles and parts during the second quarter. Capacity utilization rates fell again in the third quarter for total industry (81.1%), as well as for manufacturing (79.7%). This indicator continues a downward trend, with the result that it is further under 85%, a level that many economists consider a sign that the economy is overheating and rising inflation is imminent. Worker productivity was up 2.3% during the third quarter, offsetting increases in the hourly costs of labor. Among economists, the general feeling, however, is that manufacturing production has temporarily peaked with inventories in excess of near term consumer demand.

Income Measures

Per capita disposable income increased at an annualized rate of 1.4% during the third quarter. For the twelve-month period ending in the third quarter 1998, personal income rose 1.4% as well, the lowest twelve-month gain since the period ending December 1996 (1.1%).

II. KING COUNTY

Economic Activity

The West CPI-U rose at a 1.6% annual rate in the third quarter and 1.9% during the twelve months ending 3Q/98. This was somewhat higher than the 1.2% rise in the previous twelve months. Bankruptcy filings fell from third quarter 1997 in both King County (8.5%) and the Central Puget Sound region (6.1%). Bankruptcy filings have stabilized over the past year after rising dramatically in 1995 and 1996.

King County taxable retail sales during the second quarter 1998 rose 9.2% over the second quarter 1997. (Second quarter 1998 is the most recent quarter for which data is available.) At the national level retail sales increased 4% over third quarter 1997.

Manufacturing retail sales rose a strong 12%. Contracting sales rose sharply (25.7%), with \$237 million more in sales during second quarter 1998 than second quarter 1997. Retail trade taxable sales rose 8.7%; notable retail sales changes took place in dairy products (68%), marine and aircraft sales which increased by \$17 million (28%), drug store sales (21%), lumber and building materials (up 16%), furniture (up 17%). Services growth was modest (up 6%), as business services (up 14%) increased by \$52 million. Auto sales increased over second quarter 1997 by \$95 million, or a 17% increase.

Seattle taxable retail sales increased somewhat, up 7% in second quarter 1998 over second quarter 1997. Contracting sales also rose sharply (28%) while manufacturing declined (4%). Services rose only slightly (3%), while sales of business services increased by over 16%. Retail trade rose (up 4%), with noticeable gains in nurseries and gardens (up 27%), marine and airplane sales (up 32%), auto sales (up 18% or \$23 million), while variety stores and apparel sales declined (over 20% each).

Employment

Area unemployment stayed relatively low in the third quarter. King County third quarter unemployment stayed unchanged at 2.8%, the lowest unemployment rate this decade. Unemployment rose three tenths of a percentage point in the Central Puget Sound region, from 3.1% to 3.4%. The region's unemployment rate is considerably lower than the national rate (4.6% seasonally adjusted).

Regional employment growth continued to be strong. In the central Puget Sound region, employment rose 3.8% over third quarter 1997. Durable manufacturing employment rose at a comparable rate, gaining for the eleventh straight quarter after falling five consecutive previous quarters. Regional wholesale trade, and utility employment increased by 5.5% over third quarter 1997 with notable job increases in utility and durable goods wholesaling industries. Regional services employment increased by 5.1% over a year ago, with greater than 10% job growth in business services and computer and data processing services industries. A majority of the regional business services job growth occurred in King County, leading a 7.8% increase in service industry employment within the county over the past twelve months. King County construction employment also increased at a greater annual rate (5.8%) than total county employment for all industries (4.4%). At the national level employment was 2.6% higher at the end of third quarter 1998 than it was ending third quarter 1997, a net increase of 3.2 million jobs.

Construction

The single-family housing market remained strong, with housing prices continuing to rise and houses selling quickly. Total home sales in King County were up 8.5% from the third quarter of 1997, while total U. S. homes sold during this period increased by over 16 percent. New home sales in King County during third quarter 1998, however, were 17% lower than for the third quarter of 1997, nationally new home sales were up over 8 percent. Median prices for all King

County homes sold increased a substantial 13.1% over third quarter 1997. This sales price increase compares with a national and western states regional median home sales price increase of just over 6%, during the same period. The average time a house in King County remained on the market continued to be quite low (34 days). This figure is down slightly from the past five quarters, which averaged between 34 and 42 days.

Other construction activity was down over the same period one year previous. The total value of Seattle permits for non-residential construction was 16.4% lower than third quarter 1997. Seattle residential construction permit values increased during the third quarter to \$120 million, an increase of 46% from the second quarter while representing a decrease of .6% over third quarter 1997. Seattle residential permit activity represented improvements to existing housing units (797 permits) as well as (151) permits that will result in 927 new residential units. At the national level the total value of new construction permits during third quarter 1998 was up 7% over third quarter 1997. The value of permits for non-residential construction was unchanged while residential construction value was up 15.5% over this same period.

Office Market

Despite tightening credit the Downtown Seattle market remained strong. Vacancies decreased modestly to 5.0%. The market for Class A space relaxed slightly (3.8% vacancy), while the Class B market tightened again (5.9% vacancy) for the fourth consecutive quarter. Absorption, the net change in the amount of leased space, was sizable with an increase in 251,000 square feet. Major contributors to the positive absorption were the completion of the Quadrant Lake Union Center (to be occupied by Adobe), a major lease by NextLink and a Washington Mutual sublease in the Central Business District. Median Class A lease rates remained steady at just over \$27 per square foot, with some top floor space going for as much as \$40 per square foot. Office space still remains in short supply but fear of an economic slowdown and uncertainty in real estate capital markets have placed in question the completion of several large development projects in the City and the Eastside. Even so, CB Commercial reports there is nearly 1.8 million square feet of office space under construction in the downtown market, with 4.4 million square feet planned.

Demand in Bellevue/Eastside has slowed somewhat from the previous quarter, with positive absorption of over 126,000 square feet and the completion of several new buildings, including the Proctor and Touchstone buildings. Space relaxed slightly for the first time in a year to a vacancy rate of 1.8%. Class A space vacancies dropped slightly (1.6%), with median rates dropping as well (\$24.50 per square foot). The Eastside market remains very strong, with over 3 million square feet of office space under construction and an enormous 11.1 million square feet of planned office construction. Microsoft alone is deliberating lease deals totaling 1.3 million square feet.

North King County vacancy rates dropped to 2.9% with absorption totaling 97,000 square feet. South King County vacancy rates decreased to 7.8%, down from the previous quarter (9.6%). Fairly tight markets in these areas will continue to pressure the Downtown Seattle and Bellevue/Eastside markets.

Industrial Market

Overall the King County industrial market witnessed considerable activity in the third quarter, while vacancy rates remained fairly stable. Developers are currently working to complete nearly 5 million square feet of industrial space region-wide. The Port of Seattle Terminal 5 expansion has been completed for American President Lines, replacing the state's second largest Superfund site with a 160 acre container terminal. Vacancy rates declined again in Seattle Close-In (to 1.8%), although Seattle high tech vacancy rates increased (to 3.6%). Absorption increased to just over 346,000 square feet, with 70,000 square feet in Lower Queen Anne being leased by Dendreon, a California high tech firm. Kent Valley vacancy rates dropped slightly to 5.7%, as nearly 850,000 square feet of additional industrial and distribution space was leased. This represents more industrial space absorption during the third quarter 1998 than occurred during all of 1997. The Eastside market saw a second quarter absorption of 231,000 square feet. Eastside industrial vacancy rates dropped slightly (4.3%) and high-tech rates tightened a fraction from 5.4% to 5.2%.

Although it is expected that the industrial market will remain strong in King County, there is growing concern over a general economic slowdown that will particularly impact exports to Asia and other markets abroad. Boeing has already begun a first round of layoffs and has indicated plans to vacate several million square feet of company-owned office and industrial space within the Kent Valley. Most of the current and planned construction is taking place outside of Seattle. Kent Valley remains busy, with 2.7million square feet under construction, and over 3.3 million square feet planned. The Eastside market is also strong, with nearly 1.1 million square feet under construction and over 3.6 million square feet planned.

Retail Market

A combination of increases in personal income (stemming from new high-wage aerospace and software employment) and home-buying activity sent the region's durable-goods purchases up a dramatic 15% annual rate in the first half of 1998. In response to increased purchases developers have completed building over 400,000 square feet of retail space so far this year, with another 1.6 million on the way. Much of this space is being developed in the Seattle and Bellevue markets in the form of mixed-use buildings. Vacancy rates remain largely unchanged from the end of 1997 and range from 2.7% in the downtown Seattle market, 6% in the Bellevue/Eastside market, to 7.6% in the Southend market (South King, Pierce, and Thurston Counties).

Apartment Market

Sales of apartment buildings have passed the \$500 million mark within King, Pierce, and Snohomish Counties for the first half of 1998, establishing a record pace that will potentially reach \$1 billion by year's end. Apartments sold for an average of \$67,000 per unit with the downtown Seattle Harbor House condominium conversion topping the chart at \$163,600 per unit. Apartment rental rates in the Seattle area increased by 4% during the first half of 1998. Apartment vacancy rates remained exceptionally low throughout the Puget Sound Region with vacancy rates in all King and Snohomish markets below 2% and an apartment vacancy rate of 3.3% within Pierce County.

Convention Information

The number of Conventions and Events for third quarter 1998 was up nearly 40% from a year earlier, while room nights increased by almost 70%. Local room tax collections for the second quarter of 1998 were 9% higher than for the second quarter of 1997. (Second Quarter 1998 is the most recent data available for local room tax collections).

Job Dislocation Activity

Layoffs dropped slightly (to 736) in the second quarter 1998, and were 16.5% lower than second quarter 1997, according to reports from the Worker Adjustment and Retraining Notification Act (WARN). High technology and marine related employment lead layoffs with 150 and 97 job losses respectively. Westin Hotels in Seattle let go 145 workers and Aetna US Healthcare, also of Seattle, released 127 customer service and claims administrators. The third quarter 1998 saw a sharp increase (to 1412) in layoffs, led by the loss of 528 jobs at the Boeing Company and 60 jobs at Superior Technical Resources, a King County based Boeing contractor. Other large layoffs included 324 jobs in various other manufacturing and production firms, as well as 330 jobs at Kao Infosystems (a Bothell software developer) and 170 customer service/claims administration jobs with Seattle's Providence Health Plans.

Boeing and Airline Industry Data

Boeing employment in Washington state decreased to 101,400 down from the second quarter total of 104,000, which was the highest level since 1991. This was a 2.5% decrease from the second quarter total. Further Boeing layoffs, however, are still expected in the future as Boeing streamlines its production process. Boeing contractual backlogs remained steady, ending the quarter at \$120.5 billion. Commercial aircraft orders backlog increased slightly this quarter (\$92.9 billion). Backlogs for Information, Defense and Space division, made up of elements from the former Boeing Defense & Space Group and McDonnell Douglas Corporation, decreased \$2.4 billion to a \$27.6 billion total.

U.S. ECONOMIC MEASURES					
	1997		1998		
	III	IV	I	II (r)	III (p)
Gross Domestic Product	\$8,170.8	\$8,254.5	\$8,384.2	\$8,440.6	\$8,526.5
GDP Growth	\$494.8	\$461.6	\$450.6	\$377.2	\$355.7
Real GDP	\$7,311.2	\$7,364.6	\$7,464.7	\$7,498.6	\$7,559.5
Real GDP Growth	\$367.4	\$347.2	\$363.1	\$262.1	\$248.3
% Real GDP Growth*	5.3%	4.9%	5.1%	3.6%	3.4%
% Real Quarterly GDP Growth**	1.0%	0.7%	1.4%	0.5%	0.8%
% Real GDP Growth Annualized***	4.2%	3.0%	5.5%	1.8%	3.3%
GDP Implicit Price Deflator	111.8	112.1	112.3	112.6	112.8
Consumer Price Index	160.8	161.5	161.9	162.8	163.4

	1997		1998		
INTEREST RATES	III	IV	I	II (r)	III (p)
1 yr T-Bill	5.25	5.19	5.04	5.13	4.84
3 yr T-Bond	6.01	5.78	5.46	5.57	5.11
10 yr T-Bond	6.24	5.91	5.59	5.60	5.20
30 yr T-Bond	6.53	6.14	5.88	5.85	5.47
Discount Rate	5.00	5.00	5.00	5.00	5.00
Prime Rate	8.50	8.50	8.50	8.50	8.50
New Home Mortgage Yield (National)	7.66	7.45	7.23	7.17	7.05
Avg Mortgage Rate (WA State)	7.67	7.44	7.17	7.15	6.98

(r) - Revised. (p) - Preliminary.

Gross Domestic Product: Billions of current dollars.

GDP Growth: Change from same period, one year ago, in billions of current dollars

Real GDP: Gross domestic product in 1992 dollars.

Real GDP Growth: Change in real GDP from one year ago.

* % Real GDP Growth: Percentage growth from same quarter last year.

** % Real Quarterly GDP Growth: Percentage growth from last quarter.

***% Real GDP Growth Annualized: Real growth compounded quarterly to achieve an annual rate. It is not adjusted for seasonal variation.

GDP Price Deflator: 1992 =100.

CPI: 1982-1984=100. Price index covers all urban consumers. These figures are revised.

National Interest Rates: 3 month average of rates.

New Home Mortgage Yield (National): Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.

Average Mortgage Rate: 3 month average of 30 year fixed mortgage rates for Washington State.

SOURCES:

Economic Measures come from the U.S. Bureau of Economic Analysis (BEA) (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

National Interest Rates come from the **Federal Reserve Statistical Release** (<http://www.bog.frb.fed.us/releases/H15/>).

New Home Mortgage Yield comes from the Federal Housing Finance Board (<http://www.fhfb.gov/mirs.htm>).

Washington State Average Mortgage Rate comes from **Seattle Times Business** section, Market Trends Research Co.

	G.O. Tax Exempt	G.O. Taxable	Rev. Bonds Tax Exempt	Rev. Bonds Taxable
10 yr	4.25	5.90	4.30	5.95
20 yr	4.90	6.45	4.95	6.50
30 yr	4.95	6.60	5.00	6.65

AA BOND RATES AS OF 10/30/98

GENERAL INDICATORS OF ECONOMIC ACTIVITY					
REGION	1997		1998		
	III	IV	I	II (r)	III (p)
CPI-U (West)	161.6	162.8	163.2	164.0	164.7
Bankruptcies (King, Pierce, Snohomish, Kitsap)	4,567	4,600	4,780	4,628	4,289
Taxable Retail Sales (King, Pierce, Snohomish, Kitsap)	\$11,420,968,431	\$12,003,638,841	\$10,401,965,149	\$11,787,379,947	
# of businesses reporting	83,027	101,547	81,326	83,067	
LOCAL	1997		1998		
	III	IV	I	II (r)	III (p)
CPI (Seattle/Tacoma)	164.1	164.1	166.2	166.2	168.5
TOTAL Shipments					
Air freight (Metric Tons)	75,495	71,732	65,725	77,159	74,027
Water-borne freight (Thousand Metric Tons)					
Air Passengers (Sea-Tac)	7,546,392	5,764,579	5,288,525	6,594,953	7,762,780
New Business Starts (Seattle)	2,307	2,215	3,011	1,416	2,125
Bankruptcies (King Co.)	2,084	2,103	2,141	2,004	1,908
Taxable Retail Sales (Seattle)	\$2,726,113,195	\$2,891,911,404	\$2,564,276,476	\$2,822,303,259	
# of businesses reporting (Seattle)	22,749	27,480	22,689	23,075	
Electrical Energy Usage (1,000's of kilowatts)	2,065,442	2,207,502	2,614,681	2,242,354	2,100,872

CPI –U (West): Covers all urban consumers. 1982-1984 = 100.

New Business Starts consist of the total new business license accounts for the quarter.

SOURCES:

Shipments: Port of Seattle. (Waterborne Freight data for 1997 and 1998 is not yet available.)

Air Passengers: Port of Seattle.

New Business Starts: Seattle Dept. of Licensing. (These figures are revised.)

Bankruptcies: U.S. Bankruptcy Court.

Taxable Retail Sales: *Quarterly Business Review*, Dept. of Revenue, WA State.

Electrical Energy Usage: Seattle City Light. (Third Quarter 1997 totals are a projection based on July and August figures).

Telephone Access Lines: US West. (Third Quarter 1997 totals are a projection based on July and August figures. Third Quarter 1996 totals are a projection based on July and September totals.)

Natural Gas Customers: Puget Sound Energy. (Second, Third & Fourth Quarter 1997 totals are not yet available.)

CPI: U.S. Department of Labor, Bureau of Labor Statistics. 1982-1984 = 100.

INDUSTRIAL/MANUFACTURING MEASURES					
National	1997		1998		
	III	IV	I	II (r)	III (p)
Producers' Durable Equipment	682.6	686.4	738.8	771.3	773.3
Changes in Non-Farm inventories	44.0	62.7	85.9	29.9	49.2
Manufacturers' New Orders	995,973	1,011,860	1,005,590	998,923	1,011,856
Non-defense capital goods orders	144,937	156,236	153,240	153,127	159,324
Industrial production	125.20	127.37	127.70	128.23	128.23
Capacity utilization rates (%)					
Total Industry	82.7	83.2	82.5	82.0	81.1
Manufacturing	81.6	82.3	81.5	80.7	79.7

(r) - Revised. (p) - Preliminary.

Producers' Durable Equipment: Billions of 1992 dollars, seasonally adjusted rates.

Changes in Non-Farm Inventories: Billions of 1992 dollars, seasonally adjusted rates.

Manufacturers' New Orders: Millions of current dollars, seasonally adjusted rates.

Non-Defense Capital Goods Orders: Millions of current dollars, seasonally adjusted rates.

Industrial Production: 1992=100, figures are 3 month average.

Capacity Utilization Rates: These figures have been revised.

SOURCES:

Producers' Durable Equipment and Changes in Non-Farm Inventories: **U.S. Bureau of Economic Analysis** (<http://www.bea.doc.gov/bea/dn/nipbtbl-d.htm>).

Manufacturers' New Orders and Non-Defense Capital Goods Orders: **U.S. Census Bureau** (<http://www.census.gov/indicator/www/table5p.txt>).

Industrial Production and Capacity Utilization Rate: **Federal Reserve Statistical Release** (<http://www.bog.frb.fed.us/releases/g17/Current/>).

EMPLOYMENT					
REGION (King, Kitsap, Pierce, Snohomish and Island)	1997		1998		
	III	IV	I	II (r)	III (p)
Civilian Labor Force	1,762,580	1,786,257	1,801,440	1,796,330	1,807,630
Non-Agricultural Employment					
Total	1,606,233	1,634,367	1,620,333	1,658,933	1,666,400
Construction	87,133	84,467	78,867	84,767	90,600
Retail	280,254	284,458	274,590	283,668	289,760
Wholesale Trade and Utilities	128,916	129,685	130,947	133,602	136,036
Manufacturing	249,767	252,467	252,233	254,600	256,200
Durable goods	192,360	196,633	197,287	198,860	199,380
Non-durable goods	57,407	55,833	54,947	55,740	56,820
Government	243,367	256,767	257,067	260,133	246,450
FIRE	93,833	94,700	94,867	96,700	97,650
Services	457,867	466,000	466,633	478,700	481,350
Non-Agricultural Unemployment (UE)					
Initial UE Claims	24,915	31,193	32,875	26,902	29,592
UE Rate	3.5%	3.3%	3.4%	3.1%	3.4%
Unemployment Beneficiaries	34,759	33,548	40,233	35,025	32,209
Manufacturing	5,072	5,163	6,180	5,891	5,719
Non-Manufacturing	29,687	28,385	34,053	29,135	26,490
LOCAL (King County)	1997		1998		
	III	IV	I	II (r)	III (p)
Civilian Labor Force	1,005,133	1,020,300	1,024,533	1,024,167	1,030,200
Non-Agricultural Employment					
Total	1,082,200	1,104,267	1,094,365	1,124,611	1,130,198
Construction	55,200	53,867	50,101	54,961	58,416
Retail	178,467	181,667	173,526	177,520	181,701
Wholesale Trade and Utilities	83,933	84,333	83,867	86,694	88,664
Manufacturing	156,300	158,367	161,109	160,981	160,374
Durable goods	117,333	120,033	121,836	122,405	122,060
Non-durable goods	38,967	38,333	38,555	37,803	37,918
Government	139,467	147,400	146,461	147,718	139,574
FIRE	69,500	70,667	70,340	71,754	73,392
Services	330,733	338,567	338,356	353,248	356,455
Non-Agricultural Unemployment (UE)					
Initial UE Claims	12,804	14,812	16,139	13,383	14,985
UE Rate	3.2%	2.9%	2.9%	2.8%	2.8%
Unemployment Beneficiaries	18,272	16,771	19,690	17,554	16,502
Manufacturing	2,618	2,579	3,015	2,955	2,795
Non-Manufacturing	15,654	14,192	16,675	14,599	13,707

"Region" consists of King, Kitsap, Pierce, Snohomish and Island Counties. Island County is included to make unemployment figures consistent with Non-Agricultural Employment.

Civilian Labor Force consists of laborers who live in the region in question. (Residence based).

Non-Agricultural Employment consists of laborers who work in the region in question. (Place of work based).

All figures are averages of monthly figures except Initial UE claims, which is a 3 month sum.

Official King County non-agricultural employment for 1998 is not yet available. These figures are estimates by the Central Puget Sound Economic Development District

SOURCE:

Washington State Labor Area Summaries (Washington State Employment Security).

INCOME MEASURES					
NATION	1997		1998		
	III	IV	I	II (r)	III (p)
Per Capita Disposable Personal Income (in 1992 constant \$)	\$19,522	\$19,681	\$19,686	\$19,731	\$19,798
REGION (King, Kitsap, Pierce, Snohomish)	IV	1997		III (r)	IV (p)
		I	II		
Wages (current dollars, not deflated)					
Agriculture, Forestry, Fishing	\$2,194	\$1,968	\$2,052	\$1,957	\$2,250
Mining	\$3,189	\$3,130	\$3,226	\$3,351	\$3,796
Construction	\$2,891	\$2,735	\$2,799	\$2,900	\$3,135
Manufacturing	\$3,724	\$3,613	\$3,620	\$3,604	\$3,909
Transportation and Public Utilities	\$3,175	\$3,530	\$3,180	\$3,258	\$3,380
Wholesale Trade	\$3,368	\$3,360	\$3,217	\$3,310	\$3,566
Retail Trade	\$1,476	\$1,479	\$1,501	\$1,523	\$1,580
FIRE	\$3,213	\$3,636	\$3,323	\$3,423	\$3,734
Services	\$2,768	\$2,945	\$3,015	\$2,904	\$3,098
Government	\$2,796	\$2,849	\$2,880	\$2,957	\$2,924
Overall Average	\$2,772	\$2,859	\$2,838	\$2,837	\$3,008
LOCAL (King County)	IV	1997		III (r)	IV (p)
		I	II		
Wages (current dollars, not deflated)					
Agriculture, Forestry, Fishing	\$2,702	\$2,335	\$2,523	\$2,266	\$2,733
Mining	\$3,234	\$3,287	\$3,327	\$3,443	\$4,084
Construction	\$3,082	\$2,949	\$3,005	\$3,077	\$3,357
Manufacturing	\$3,786	\$3,643	\$3,653	\$3,632	\$3,946
Transportation and Public Utilities	\$3,218	\$3,620	\$3,204	\$3,332	\$3,443
Wholesale Trade	\$3,513	\$3,524	\$3,372	\$3,434	\$3,740
Retail Trade	\$1,568	\$1,573	\$1,603	\$1,623	\$1,698
FIRE	\$3,413	\$3,941	\$3,415	\$3,548	\$4,051
Services	\$3,105	\$3,392	\$3,460	\$3,316	\$3,521
Government	\$2,888	\$2,946	\$2,919	\$3,009	\$2,939
Overall Average	\$2,962	\$3,099	\$3,054	\$3,045	\$3,235

Per Capita Disposable Personal Income: Figures are in 1992 dollars and are seasonally adjusted annual rates.

Wages: Average of monthly wages by industry, not occupation, and represents jobs covered by the Washington Employment Security Act. Figures are lagged one year or more due to reporting delay. Figures are not deflated due to difficulty in choosing appropriate deflator.

SOURCES:

Per Capita Disposable Income comes from the **U.S. Bureau of Economic Analysis** (<http://www.bea.doc.gov/bea/nipbtbl-d.html>).

Wages: **Employment and Payrolls in Washington State by County and Industry** (Washington State Employment Security).

CONSTRUCTION					
	1997		1998		
	III	IV	I	II (r)	III (p)
Seattle Residential Construction (\$\$ value) 1/	\$121,280,788	\$70,344,602	\$93,789,117	\$82,410,027	\$120,586,928
Seattle Non-Residential Construction (\$\$ value) 2/	\$292,820,621	\$152,956,672	\$224,956,831	\$171,410,812	\$225,724,409
Home Sales (King County)					
# of Sales	6,229	5,367	4,668	6,444	6,756
Median Sales Price	\$192,296	\$196,086	\$202,390	\$211,834	\$217,398
Mean Sales Price	\$237,540	\$236,866	\$245,801	\$258,480	\$265,635
Days on the Market	39	40	41	34	34
New Construction Home Sales (King County)					
# of Sales	494	392	414	495	410
Median Sales Price	\$250,467	\$256,119	\$233,044	\$269,798	\$261,266
Mean Sales Price	\$278,525	\$298,507	\$284,136	\$310,069	\$293,199
Building Permits (Seattle)					
Commercial and Industrial 3/	659	609	664	767	857
Existing Housing Units	765	498	507	817	797
New Residential Permits	155	151	172	171	151
New Residential Units	1,120	620	1,041	570	927
1/ Value consists of total value of permits for residential construction from Seattle DCLU Permit Report					
2/ Value consists of total value of permits for non-residential construction from Seattle DCLU Permit Report					
3/ Number of commercial and industrial permits is estimated nby number of total permits minus residential, schools, churches, and some specific permits.					

Figures represent construction activity for City of Seattle.

Number of commercial and industrial permits is estimated by number of total permits minus residential, schools, churches, and some specific permits.

“Days on Market” for fourth quarter 1997 has been revised.

SOURCES:

City of Seattle Department of Construction and Land Use, **"Issued Permit Data"** (monthly reports). Home sale data comes from the **Northwest Multiple Listing Service**.

OFFICE MARKET					
Seattle Overall	1997		1998		
	III	IV	I	II	III
Total Sq. Feet	36,066,345	36,505,231	36,308,132	36,547,787	36,988,185
# Buildings	439	441	441	445	450
Vacant Sq. Feet	2,482,256	2,176,862	1,977,257	2,051,699	1,989,911
Vacancy Rates	6.9%	6.0%	5.4%	5.6%	5.4%
Project Under Cons (Sq. Ft.)	537,000	1,765,118	1,780,275	1,799,555	1,818,754
Absorption (Sq. Ft.)	894,860	270,158	331,190	48,257	502,186
"Seattle Overall" consists of Downtown, Northend, Southend, and Tacoma/Federal Way.					
Downtown Seattle	1997		1998		
	III	IV	I	II	III
Total Sq. Feet	26,511,858	26,795,769	26,795,769	26,884,969	27,221,087
# Buildings	205	209	209	211	214
Vacant Sq. Feet	1,567,422	1,356,028	1,283,742	1,393,111	1,357,797
Vacancy Rates	5.9%	5.1%	4.8%	5.2%	5.0%
Project Under Cons (Sq. Ft.)	537,000	1,765,118	1,780,275	1,780,275	1,778,754
Absorption (Sq. Ft.)	75,401	157,548	203,871	-29,012	251,432
Class A					
Median Lease Rate/sf	\$23.75	\$24.50	\$24.50	\$27.00	\$27.00
Vacancy Rate	3.0%	2.5%	2.3%	3.2%	3.8%
Class B					
Median Lease Rate/sf	\$17.50	\$17.00	\$19.50	\$20.00	\$20.00
Vacancy Rate	14.2%	11.0%	10.6%	6.5%	5.9%
Class C					
Vacancy Rate	10.9%	11.3%	11.2%	12.8%	9.5%
"Downtown Seattle" consists of the Canal, CBD, Denny Regrade, Lake Union, Lower Queen Anne, Pioneer Square and Waterfront.					
North King County	1997		1998		
	III	IV	I	II	III
Total Sq. Feet	1,050,559	1,050,559	1,050,559	1,050,559	1,135,559
# Buildings	23	23	23	23	24
Vacant Sq. Feet	51,799	52,157	58,842	44,646	32,934
Vacancy Rates	4.9%	5.0%	5.6%	4.2%	2.9%
Project Under Cons (Sq. Ft.)	0	0	0	0	0
Absorption (Sq. Ft.)	27,838	-358	-6,685	14,196	96,712
Class A					
Median Lease Rate/sf	\$19.50	\$19.50	\$19.50	\$19.50	\$19.50
Vacancy Rate	4.7%	4.7%	5.1%	3.7%	2.5%
Class B					
Median Lease Rate/sf	\$18.50	\$18.50	\$18.00	\$18.50	\$18.50
Vacancy Rate	6.0%	7.0%	8.0%	6.9%	4.8%
"North King County" consists of area north of the Ship Canal up to the King County line.					

The **Absorption Rate** is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases. Absorption is calculated by CB Commercial on a building by building basis.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

OFFICE MARKET					
South King County	1997		1998		
	III	IV	I	II	III
Total Sq. Feet	5,103,964	5,073,840	5,073,840	5,224,295	5,243,575
# Buildings	122	121	121	123	124
Vacant Sq. Feet	630,732	550,196	437,079	503,688	407,804
Vacancy Rates	12.4%	10.8%	8.6%	9.6%	7.8%
Project Under Cons (Sq. Ft.)	0	0	0	19,280	40,000
Absorption (Sq. Ft.)	693,323	99,146	113,117	74,846	115,164
Class A					
Median Lease Rate/sf	\$17.50	\$17.50	\$17.50	\$18.00	\$18.00
Vacancy Rate	6.9%	10.9%	6.5%	5.5%	4.2%
Class B					
Median Lease Rate/sf	\$15.00	\$15.00	\$15.50	\$15.50	\$15.50
Vacancy Rate	22.9%	9.7%	10.9%	17.4%	13.8%
"South King County" consists of area south of the Kingdome to the King County line, excluding Federal Way.					
Bellevue/Eastside	1997		1998		
	III	IV	I	II	III
Total Sq. Feet	15,324,453	15,379,483	15,379,483	15,610,111	15,828,081
# Buildings	281	282	282	288	292
Vacant Sq. Feet	398,390	356,282	256,527	191,736	282,737
Vacancy Rates	2.6%	2.3%	1.7%	1.2%	1.8%
Project Under Cons (Sq. Ft.)	695,000	1,189,584	1,178,297	1,924,072	3,321,828
Absorption (Sq. Ft.)	142,417	68,043	48,458	266,514	126,971
Class A					
Median Lease Rate/sf	\$24.00	\$25.00	\$26.00	\$26.00	\$24.50
Vacancy Rate	1.7%	1.9%	1.4%	1.1%	1.6%
Class B					
Median Lease Rate/sf	\$23.00	\$24.00	\$24.50	\$24.50	\$21.50
Vacancy Rate	3.6%	2.8%	1.8%	2.0%	1.4%
Class C					
Median Lease Rate/sf	\$17.00	\$16.50	\$17.00	\$17.50	\$17.50
Vacancy Rate	5.9%	4.3%	4.4%	4.2%	2.3%
"Bellevue/Eastside" consists of the East side of Lake Washington, from Bothell on the King/Snohomish County line to Renton City Limits.					

The *Absorption Rate* is the change in amount of leased space. A negative figure means more space came onto the market than was absorbed by new leases.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET					
Seattle Close-In	1997		1998		
	III	IV	I	II	III
Total Square Footage					
Industrial	66,568,768	66,305,124	66,602,632	72,831,223	72,960,927
High-Tech	1,220,412	1,220,412	1,220,412	1,220,412	1,220,412
Total	67,789,180	67,525,536	67,823,044	74,051,635	74,181,339
Vacancy					
Industrial	3.3%	3.1%	2.7%	2.3%	1.8%
High-Tech	11.0%	6.9%	2.6%	1.6%	3.6%
Total Vacant Sq. Ft.					
Industrial	2,317,804	2,167,185	1,847,472	1,717,923	1,377,065
High-Tech	2,184,141	2,083,496	1,815,583	1,697,993	1,333,618
	133,663	83,689	31,889	19,930	43,447
Lease Rates					
Older Buildings	\$.25-.38/sf shell + \$.55-.60/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office	\$.25-.38/sf shell + \$.55-.65/sf office
Newer Buildings	\$.38-.40/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office	\$.38-.42/sf shell + \$.60-.65/sf office
NNN Expenses	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month	\$.05-.16/sf per month
High-Tech	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month	\$.65-1.00/sf per month
Absorption (sf) 2/	181,975	-367,724	580,333	171,851	346,174
"Seattle Close-In" stretches from the King/Snohomish line south to Tukwila. Absorption is for the quarter.					

The sudden jump in total industrial square footage within the Seattle Close-In market, during the second quarter of 1998, reflects a redefinition of the market area, (the inclusion of additional existing buildings previously uncounted) and is not attributable to a flood of new construction.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET					
Kent Valley Market	1997		1998		
	III	IV	I	II	III
Total Square Footage					
Industrial	80,116,002	80,491,527	81,567,281	82,409,970	82,711,085
High-Tech	1,834,164	1,834,164	1,834,164	1,834,164	1,834,164
Total	81,950,166	82,325,691	83,401,445	84,244,134	84,545,249
Vacancy					
Industrial	6.5%	5.4%	5.7%	6.4%	5.7%
High-Tech	7.8%	8.6%	7.1%	14.8%	13.7%
Total Vacant Sq. Ft.					
Industrial	5,351,356	4,541,449	4,759,999	5,518,471	4,997,366
High-Tech	5,207,542	4,382,912	4,629,971	5,247,863	4,745,727
	143,814	158,537	130,028	270,608	251,639
Lease Rates					
Older Buildings	\$.28-.30/sf shell + \$.50-.55/sf office		\$.28-.30/sf shell + \$.50-.55/sf office		\$.28-.32/sf shell + \$.50-.60/sf office
New Buildings	\$.30-.32/sf shell + \$.55-.60/sf office		\$.30-.34/sf shell + \$.55-.65/sf office		\$.32-.37/sf shell + \$.60-.65/sf office
NNN expenses	\$.07-.12/sf per month		\$.07-.12/sf per month		\$.07-.12/sf per month
High-Tech	\$0.75-1.15/sf		\$0.75-1.15/sf		\$0.75-1.15/sf
Absorption (sf)	90,743	420,037	354,098	84,217	842,220
"Kent Valley" is defined as Tukwila, Renton, Kent, Auburn and Sea-Tac.					

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

INDUSTRIAL MARKET

Eastside Market	1997		1998		
	III	IV	I	II	III
Total Square Footage	18,846,448	19,604,686	20,371,053	21,240,529	20,761,288
Industrial	14,523,778	15,317,241	15,452,871	16,053,697	15,607,674
High-Tech	4,322,670	4,287,445	4,918,182	5,186,832	5,153,614
Vacancy					
Industrial	5.7%	4.4%	4.5%	4.8%	4.3%
High-Tech	2.5%	3.8%	3.8%	5.4%	5.2%
Total Vacant Sq. Ft.	937,803	838,862	890,065	1,041,197	933,203
Industrial	829,217	676,191	702,674	762,854	665,657
High-Tech	108,586	162,671	187,391	278,343	267,546
Lease Rates					
Older Buildings	\$.38-.45/sf shell + \$.75-.95/sf office	\$.40-.60/sf shell + \$.95-1.10/sf office	\$.45-.55/sf shell + \$.95-1.10/sf office	\$.45-.55/sf shell + \$.95-1.10/sf office	\$.40-.50/sf shell + \$.95-1.10/sf office
New Buildings	\$.42-.60/sf shell + \$.85-1.05/sf office	\$.45-.65/sf shell + \$.90-1.25/sf office	\$.45-.65/sf shell + \$.95-1.25/sf office	\$.55-.65/sf shell + \$1.10-1.30/sf office	\$.50-.65/sf shell + \$.90-1.15/sf office
NNN expenses	\$.06-.26/sf per month	\$.11-.31/sf per month	\$.11-.31/sf per month	\$.11-.31/sf per month	\$.10-.26/sf per month
Absorption (sf)	135,595	129,606	21,750	729,669	-371,247

"Eastside Market" consists of the East side of Lake Washington, King/Snohomish County Line south to Renton City Limits.

Eleven buildings were removed from the eastside inventory because they were too small, converted to owner-user status, or failed to meet other criteria. This accounts for the drop in total square footage and also influences the measure of absorption. Actual absorption in the eastside market this quarter is estimated by CB Richard Ellis to be 231,280 square feet.

SOURCE: CB Commercial Quarterly Market Report, a publication of Coldwell Bankers commercial division.

RETAIL

Puget Sound Area	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Footage	55,025,933	55,721,440	57,680,961	60,439,311	62,536,242
Total Vacant	2,752,462	3,093,269	3,692,585	3,727,557	4,195,059
Vacancy Rates	5.0%	5.6%	6.4%	6.2%	6.7%
Absorption (sf)	-269,275	416,762	1,360,265	2,826,650	1,629,429

Puget Sound consists of the downtown Seattle, Northend, Southend, Eastside, and Kitsap Markets.

Downtown Seattle	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	3,251,535	3,516,735	3,627,914	3,627,914	3,686,414
Total Vacant	45,092	33,571	81,969	92,708	101,172
Vacancy Rates	1.4%	1.0%	2.3%	2.6%	2.7%
Rental Rates	\$22.00	\$21.45	\$22.78	\$27.03	\$26.60
Absorption (sf)	35,113	234,521	62,781	-10,739	50,036

The Ship Canal south to the West Seattle Bridge including the Central Business District, Denny Regrade, Lower Queen Anne, Pioneer Square, West Lake Union, Capitol Hill and the Central District.

Northend	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	13,960,114	14,044,655	14,419,662	15,317,492	15,513,322
Total Vacant	599,384	730,790	782,182	711,080	849,089
Vacancy Rates	4.3%	5.2%	5.4%	4.6%	5.5%
Rental Rates	\$15.12	\$13.59	\$13.03	\$14.81	\$11.96
Absorption (sf)	-185,070	87,567	323,675	1,085,416	57,821

Northend is defined as North Seattle from Ship Canal up through Snohomish and Northern Counties.

Southend	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	25,602,468	25,869,468	26,721,964	27,540,484	28,285,213
Total Vacant	1,613,889	1,835,940	1,968,671	2,032,407	2,139,346
Vacancy Rates	6.3%	7.1%	7.4%	7.4%	7.6%
Rental Rates	\$12.13	\$13.59	\$12.29	\$10.61	\$11.78
Absorption (sf)	-287,801	24,949	719,765	754,784	637,790

"Southend" is South Seattle through Pierce and Thurston Counties.

Previous to 1Q/95, Southend was defined as the area south of the Kingdome to the King/Pierce County line.

Bellevue/Eastside	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Total Rentable Sq. Ft.	9,539,528	9,618,294	9,861,030	10,529,030	11,626,902
Total Vacant	350,694	345,609	476,879	515,084	696,958
Vacancy Rates	3.7%	3.6%	4.8%	4.9%	6.0%
Rental Rates	\$16.08	\$15.68	\$14.72	\$22.55	\$15.24
Absorption (sf)	112,815	73,681	111,466	629,795	915,998

All of King County east of Lake Washington, including Bellevue, Kirkland, Redmond, Issaquah, Bothell and Mercer Island.

SOURCE: CB Commercial *Quarterly Market Report*, a publication of Coldwell Bankers commercial division.

Apartment Vacancy Rates

	1996		1997		1998
	First Half	Second Half	First Half	Second Half	First Half
Seattle/North King	2.7%	1.2%	1.3%	1.2%	1.7%
Capitol Hill/Eastlake	1.1%	0.9%	1.9%	1.9%	1.4%
Central District	1.7%	1.0%	1.7%	0.5%	NA
Downtown/First Hill	2.6%	1.6%	0.8%	0.8%	1.7%
Magnolia/Queen Anne	2.4%	0.4%	1.3%	1.2%	1.8%
North Seattle	3.2%	0.0%	1.5%	1.2%	1.2%
Sandpoint	1.0%	0.0%	0.0%	0.0%	0.5%
South Seattle	2.1%	1.0%	1.1%	NA	1.0%
University District	4.7%	3.7%	0.8%	1.0%	0.5%
West Seattle	3.1%	1.6%	1.7%	1.1%	0.6%
South King County	5.0%	3.0%	1.9%	1.7%	1.8%
Auburn	5.1%	5.4%	2.3%	1.1%	2.4%
Burien/Des Moines	5.8%	3.2%	2.0%	1.2%	1.6%
Federal Way	4.9%	3.5%	2.0%	1.9%	2.0%
Kent	5.0%	3.2%	1.6%	1.7%	2.2%
Renton	3.3%	1.5%	1.9%	1.9%	1.4%
Sea-Tac/Tukwila	5.8%	2.7%	1.8%	1.8%	1.4%
East King County	2.1%	1.0%	1.1%	1.4%	1.7%
Bellevue	2.1%	0.8%	0.9%	1.0%	1.4%
Bothell/Woodinville	3.0%	0.5%	1.8%	1.6%	3.2%
Issaquah/North Bend	2.0%	2.2%	1.0%	1.8%	1.5%
Kirkland	1.3%	1.3%	1.2%	1.7%	1.9%
Redmond	2.9%	1.2%	0.8%	1.7%	1.0%
Snohomish County	4.2%	1.2%	1.4%	1.1%	1.8%
Edmonds	3.9%	1.0%	1.4%	0.7%	0.9%
Everett	5.1%	1.9%	1.7%	1.1%	1.8%
Lynnwood	3.4%	1.3%	1.0%	1.0%	2.4%
Marysville	1.6%	0.0%	2.1%	1.7%	0.0%
Mountlake Terrace	3.7%	0.3%	0.8%	0.8%	1.8%
Pierce County	6.3%	6.0%	4.8%	4.5%	3.3%
Fircrest	4.8%	4.7%	4.2%	6.2%	3.2%
Gig Harbor	2.4%	4.2%	6.4%	3.6%	5.1%
Lakewood	7.7%	6.9%	6.1%	5.3%	3.6%
Puyallup	8.7%	4.9%	3.0%	3.7%	1.4%
Tacoma	5.6%	6.4%	5.0%	4.5%	2.3%

Source: CB Commercial Market Report

CONVENTION INFORMATION					
KING COUNTY	1997		1998		
	III	IV	I	II (r)	III (p)
# Conventions/Events	99	150	120	139	138
# Room Nights	104,136	125,248	155,537	146,025	175,123
Local Room Tax	\$3,528,560	\$2,465,227	\$2,547,120	\$3,093,573	
Room Nights per Event	1,052	835	1,296	1,051	1,269

(p) - Preliminary.

(r) - Revised.

The figures for # events and # room nights are for all events booked at the convention center and area hotels, not just conventions.

"Local Room Tax" shows Washington state Hotel/Motel Tax Distributions to King County. This is used to estimate delegate expenses. Figures have been revised to show when room tax was collected, not distributed, since distribution happens two months after collection. For example, Hotel/Motel distributions for June reflect collections made in April. Second Quarter 1997 includes taxes collected in April, May and June, and distributed in June, July and August.

The tax totals do not include an extra Hotel/Motel Tax collected in Bellevue. Local room tax figures for 2Q/98 are not yet available.

SOURCES:

Seattle-King County Convention and Visitors Bureau (# Conventions/Events and # Room Nights).

Washington Department of Revenue (Hotel/Motel Tax Distribution to King County).

Seattle-King County Dislocation Activity - 2Q/98

Company	Location	Workers	No.
Westin Hotels	Seattle	Office, Financial, Legal, Administration	145
Aetna US Healthcare	Seattle	Customer Service/Claims Admin.	127
PacMed	King County	Maintenance, Nursing, Business Office	88
Data I/O Corp.	Redmond	Information Technology/Office	80
Peter Pan Seafoods	Pacific	Food Processing	58
Acme Poultry	Renton	Production	56
AirTouch Cellular	Bellevue	Operations/Engineering	50
Zetec	Issaquah	Production	30
Puget Sound Freight Lines	Seattle	Marine Engineers, Mates, Deckhands	27
Pepsi Cola Co.	Seattle	Financial/Accounting	25
CellPro	Bothell	Biotechnology	20
KCTS 9	Seattle	TV Broadcasting	18
Foss Marine	Seattle	Marine Cooks	12
<hr/>			
1998 2nd Quarter Totals	13 Companies	736 Dislocated Workers	
1997 2nd Quarter Totals	11 Companies	881 Dislocated Workers	
1997 Totals	46 Companies	3,848 Dislocated Workers	

Seattle-King County Dislocation Activity - 3Q/98

Company	Location	Workers	No.
Boeing Co.	King, Pierce, Snohomish	All Job Classifications	528
Kao Infosystems	Bothell	Software Packaging/Shipping	330
Providence Health Plans	Seattle	Customer Service/Claims Admin.	170
Fort James Manufacturing	Redmond	Manufacturing	145
Guidant Corporation	Redmond	Engineers/High Tech. Production	102
Superior Technical Resources	King County	Boeing Contract Engineers/Technicians	60
Hexcel	Kent	Manufacturing	40
Motorola	Bothell	Production	15
Suana Tech	Bellevue	Manufacturing	15
Seafab Metals Co.	Seattle	Manufacturing	7
<hr/>			
1998 3rd Quarter Totals	10 Companies	1,412 Dislocated Workers	
1997 3rd Quarter Totals	7 Companies	295 Dislocated Workers	
1997 Totals	46 Companies	3,848 Dislocated Workers	

Job Dislocation Reports for second quarter 1998 were unavailable at time of printing.

Source: King County Reemployment Support Center.

Boeing and Airline Industry Data

Boeing Employees in Washington State

	3Q/97	4Q/97	1Q/98	2Q/98	3Q/98
Employees	100,200	103,400	103,500	104,000	101,400

Year	Employees
1997	103,400
1996	87,769
1995	71,834
1994	81,964
1993	88,890
1992	98,603
1991	104,700
1990	104,515
1989	106,670

Source: **The Boeing Company.**

Please note that for yearly totals, data reflects number of Boeing employees in Washington state at the end of the year. For quarterly totals, data reflects number at the end of the quarter.

Boeing Contractual Backlogs

(revised - in billions)

Contractual backlog:	9/30/97	12/31/97	3/31/98	6/30/98	9/30/98
Commercial aircraft	83.5	93.8	92.4	91.8	92.9
Info., Defense & Space	25.3	27.8	28.5	30.0	27.6
Total	108.8	121.6	120.9	121.8	120.5

Source: **The Boeing Company** (<http://www.boeing.com/news/>). March 1997 is a projection based on pre-merger data.

U.S. Airlines -- Net Profits

(in thousands)

1992	1993	1994	1995	1996	1997
(4,791,284)	(2,135,626)	(344,115)	2,313,591	2,824,328	5,194,740

Source: **Air Transport Association** (<http://www.air-transport.org/data/earnings.htm>).

Taxable Retail Sales – King County

Industry	SIC	King County		Seattle	
		Retail Sales 2Q/98	% Change 2Q/97 2Q/98	Retail Sales 2Q/98	% Change 2Q/97 2Q/98
Total		\$7,814,293,237	9.2%	\$2,822,303,259	6.9%
Contracting	15-17	\$1,185,540,049	25.7%	\$449,400,747	28.4%
Manufacturing	20-39	\$239,505,380	12.0%	\$83,252,312	-4.1%
Transportation/Comm/Utilities	41-49	\$387,387,558	-4.4%	\$177,893,077	-3.0%
Wholesaling	50-51	\$1,095,428,506	3.0%	\$375,385,558	5.4%
Retail Trade	52-59	\$3,564,417,821	8.7%	\$1,157,813,176	4.4%
Building Materials/Hardware	52	\$263,092,509	11.9%	\$67,713,598	4.1%
Lumber/Bldg Material	521-522	\$126,302,504	16.3%	\$31,412,462	6.8%
Paint, Glass, Wallpaper	523	\$13,748,282	13.2%	\$5,651,325	14.3%
Hardware Stores	525	\$93,124,959	4.7%	\$27,556,329	-2.5%
Nurseries/Garden Supplies	526	\$27,277,348	9.5%	\$3,093,482	26.6%
Mobile Home Dealers	527	\$2,639,416	353.2%	D	D
General Merchandise	53	\$377,555,719	7.4%	\$88,288,577	-0.8%
Department Stores	531	\$244,415,764	5.9%	\$68,695,758	5.5%
Variety Stores	533	\$104,631,103	9.3%	\$13,871,476	-24.7%
Other General Merchandise		\$28,508,852	14.3%	\$5,721,343	5.7%
Food	54	\$348,538,026	4.9%	\$112,614,054	4.1%
Grocery Stores	541	\$329,356,194	5.8%	\$104,381,515	5.8%
Fruit/Vegetable/Meat	542-543	\$3,518,679	15.9%	\$1,092,116	23.2%
Candy/Nut/Confectionery	544	\$774,296	-2.9%	\$395,861	6.5%
Dairy Products	545	\$567,924	67.5%	\$246,408	26.2%
Bakeries	546	\$4,042,627	-15.1%	\$2,664,976	-4.8%
Other Food Stores		\$10,278,306	-14.0%	\$3,833,178	-27.1%
Auto Dealers/Gas Stations	55	\$800,060,365	16.6%	\$218,176,639	18.4%
Auto Dealers (New/Used)	551-552	\$641,591,409	17.6%	\$151,566,937	18.4%
Accessory Dealers	553	\$56,005,426	2.1%	\$17,416,586	2.1%
Service Stations	554	\$30,890,308	3.4%	\$8,915,475	2.7%
Marine/Aircraft, etc		\$71,573,222	28.0%	\$40,277,641	31.6%
Apparel/Accessories	56	\$229,091,814	1.7%	\$76,128,596	-18.0%
Clothing	561-565	\$190,206,511	2.1%	\$62,753,676	-20.4%
Shoes	566	\$19,608,344	1.7%	\$6,855,067	4.1%
Other Accessories		\$19,276,959	-2.9%	\$6,519,853	-11.6%
Furniture/Furnishings/Equipment	57	\$423,993,976	1.1%	\$113,741,475	0.8%
Furniture	571	\$141,181,875	16.9%	\$41,581,998	17.8%
Appliances	572	\$37,026,860	5.1%	\$7,073,202	-0.3%
Electronics/Music Stores	573	\$245,785,241	-6.7%	\$65,086,275	-7.7%
Eating/Drinking Places	58	\$538,867,884	7.2%	\$253,868,600	7.0%
Miscellaneous Retail Stores	59	\$583,217,528	10.9%	\$227,281,637	3.6%
Drug Stores	591	\$77,040,706	20.7%	\$27,484,436	21.7%
Miscellaneous Retail Stores	594	\$246,277,643	2.6%	\$95,620,377	-4.1%
Nonstore Retailers	596	\$65,907,902	22.2%	\$20,069,263	4.4%
Fuel/Ice	598	\$19,566,506	13.5%	\$8,362,364	-7.2%
Other Retail Stores		\$174,424,771	15.4%	\$75,745,197	10.0%
Finance/Insurance/Real Estate	60-67	\$123,861,553	11.4%	\$50,687,054	11.9%
Services	70-88	\$1,146,847,665	6.3%	\$507,089,308	3.0%
Hotels/Motels etc.	70	\$183,513,191	7.9%	\$90,010,168	6.4%
Personal Services	72	\$53,899,667	5.6%	\$22,863,151	4.4%
Business Services	73	\$423,197,694	14.0%	\$203,901,945	16.1%
Computer Services	737	\$93,525,815	4.6%	\$41,405,163	8.9%
Automotive Repair/Services	75	\$270,211,064	4.4%	\$89,658,497	2.1%
Other Services		\$216,026,049	-4.9%	\$100,655,547	-17.9%

Source: *Quarterly Economic Measures*, Washington State Department of Revenue.

Sources for Quarterly Economic Measures

AIR TRANSPORT ASSOCIATION is the source for airline industry profits. Their World Wide Web address is <http://www.air-transport.org/>.

BOEING is the source for Boeing employment and for their backlog of airplane orders. Their World Wide Web address is <http://www.boeing.com/>.

CB COMMERCIAL QUARTERLY MARKET REPORT is a quarterly publication of Coldwell Bankers' commercial division. It contains data on industrial, commercial, retail and apartment properties.

CITY OF SEATTLE DEPARTMENT OF CONSTRUCTION AND LAND USE sends out an "Issued Permit Data" report every month. It contains the number of permits issued and the value of permitted construction.

EMPLOYMENT AND PAYROLLS IN WASHINGTON STATE BY COUNTY AND INDUSTRY is published by Washington State Employment Security. It contains wages paid and employment levels for industries by county. It has a lag of about one year.

FEDERAL HOUSING FINANCE BOARD is the source for the national new home mortgage yield. Their web address is <http://www.fhfb.gov/mirs.htm>.

FEDERAL RESERVE is the source for the bulk of national interest rates, as well as industrial production and capacity utilization figures. Their World Wide Web address is <http://www.bog.frb.fed.us/releases/H15/>.

KING COUNTY REEMPLOYMENT SUPPORT CENTER is a core program of the Worker Center and is the source for worker layoff data.

PORT OF SEATTLE is the source for air and waterborne freight shipment data, as well as passenger traffic.

QUARTERLY BUSINESS REVIEW is published quarterly by the Washington State Dept. of Revenue. It lists the amount of taxable retail sales by industry by county. The data has a lag of around six months.

SEATTLE CITY LIGHT tabulates electrical sales in a monthly revenue report.

SEATTLE DEPARTMENT OF REVENUE is the source for new business starts. It is measured by the number of business licenses issued.

SEATTLE-KING COUNTY CONVENTION AND VISITORS BUREAU is the source for the bulk of convention information. The exception is for local room tax, which comes from the Washington Dept. of Revenue.

SEATTLE TIMES BUSINESS SECTION (from MARKET TRENDS RESEARCH CO.) publishes a table of local interest rates every Monday called "Money/Database."

U.S. BANKRUPTCY COURT tracks the number and type of bankruptcies and tabulates them monthly.

U.S. BUREAU OF ECONOMIC ANALYSIS is the source for many of the national economic measures. Their web site is <http://www.bea.doc.gov>.

U.S. CENSUS BUREAU is the source for manufacturers' new orders and non-defense capital goods orders. Their web site is <http://www.census.gov/indicator/www/table5p.txt>.

WASHINGTON DEPT. OF REVENUE publishes *Local Tax Distributions* every two months. This is the source for local room tax.

WASHINGTON STATE LABOR AREA SUMMARIES is published monthly by Washington State Employment Security. It contains both labor statistics and price index data. It has a lag of one to two months.